FORM

NOL-F85A
Rev. 3/02

ALABAMA DEPARTMENT OF REVENUE

Application Of Net Operating Loss
Carryback Or Carryforward
Fiduciary Return (Form 41)

For year ending

_____, _____

Name of Estate or Trust as shown on Form 41 or Form 40X	Federal I.D. Number

PURPOSE OF SCHEDULE: Form NOL-F85A is designed to apply a net operating loss sustained by an estate or trust (Form 41) to the next taxable year to which the loss is being carried. Before Form NOL-F85A can be completed, you must first complete **Form NOL-F85** to determine if you have an allowable net operating loss and the amount that may be carried back or carried forward. **See instructions on the reverse side for further information.**

1 (a) Enter the taxable year during which
the net operating loss was incurred. ▶ Beginning _____, _____, Ending _____, _____.

(b) Did you elect in Form NOL-F85 to forfeit
the election to carry this loss back? ☐ Yes ☐ No

PART I – Computation Of Unused Net Operating Loss

2 Enter the net operating loss as shown on line 17, Part II of Form NOL-F85 or as shown on line 4, Form NOL-F85A. (See instructions)	**2**	
3 NET INCOME SUBJECT TO DISTRIBUTION. Enter the amount shown on line 3, Form 41 for the tax year to which this loss is being carried	**3**	
4 UNUSED NET OPERATING LOSS. If line 2 exceeds line 3, subtract line 3 from line 2 and enter the difference here. If line 3 exceeds line 2, enter zero. If the amount on this line is more than zero, you may carry this amount forward to the next applicable year (Form NOL-F85A) .... ▶	**4**	

PART II – Application To Carryback / Carryforward Year

5 Enter the taxable income as shown on line 7 of Form 41 (or as last amended or adjusted or prior NOL-F85A) for the taxable year to which this loss is being carried	**5**	
6 NET OPERATING LOSS TO BE APPLIED. Subtract the amount on line 4 from the amount on line 2 and enter the difference here. If line 4 is zero, enter the amount shown on line 2 .... ▶	**6**	
7 TAXABLE INCOME AFTER APPLICATION OF NET OPERATING LOSS. Subtract line 6 from line 5 and enter the result here .... ▶	**7**	

PART III – Computation Of Tax

Complete lines 8 through 11 below to determine the correct tax due after application of the net operating loss.

8 $ _____ at 2 percent *(on first $500 or fraction thereof, of amount taxable as shown on line 7)*...........	**8**	
9 $_____ at 4 percent *(on next $2,500 or fraction thereof, of amount taxable as shown on line 7)*	**9**	
10 $_____ at 5 percent *(on all over $3,000 of amount taxable as shown on line 7)*	**10**	
11 TOTAL TAX DUE AFTER APPLICATION OF NET OPERATING LOSS. (Add lines 8, 9 and 10.) Enter here and also on line 11, Form 41 or line 10, Form 40X .... ▶	**11**	

Form NOL-F85A

Instructions For Completing Form NOL-F85A

General Instructions

If you incurred a net operating loss for a taxable year beginning after December 31, 1984, **Form NOL-F85A** should be used to carry the loss back or forward.

For loss years beginning before January 1, 1998, a net operating loss may be carried back and deducted from taxable income of the three years preceding the loss. Any unused portion of the loss may then be brought forward for 15 years or until used up, whichever comes first. For loss years beginning after December 31, 1997, a net operating loss may be carried back and deducted from taxable income of the two years preceding the loss. Any unused portion of the loss may then be brought forward for 15 years. The loss must be carried back before bringing forward, unless an election is made to forfeit the carryback provision or the loss is claimed on the subsequent year's timely filed return.

Before Form NOL-F85A can be completed, you must first complete Form NOL-F85 to determine the actual amount of the net operating loss that may be carried back or brought forward.

If a net operating loss is not used up the first year to which it is applied, you must complete another Form NOL-F85A to carry the unused portion to the next available year.

NOTE: If more than one net operating loss is applied to the same tax year, the earliest loss incurred must be applied first. A separate NOL-F85A must be completed for each loss.

*For further information on applying more than one net operating loss to the same tax year, please refer to Regulation 810-3-15-.27 (Section 40-18-15, **Code of Alabama**). A copy of this regulation is available upon request.*

Specific Instructions

Most lines on Form NOL-F85A are self-explanatory. The following information is provided for those lines needing further explanation.

In the top right corner, enter the tax year to which the loss is being carried.

Part I
Computation of Unused Net Operating Loss

LINE 2 – If this is the first year to which the net operating loss is being applied, enter the amount shown on Form NOL-F85, Part II, line 17. If the entire loss was not used up the first year to which the loss was applied, then the amount shown on line 4 of Form NOL-F85A should be entered on line 2.

LINE 3 – The net income as shown on line 3, Form 41 to which the loss is carried should be entered on this line.

LINE 4 – Complete line 4 to determine if you have any unused net operating loss to carry to another tax year. If line 2 exceeds line 3, subtract line 3 from line 2 and enter the difference on line 4. If line 3 exceeds line 2, enter zero.

If the amount on line 4 is more than zero, this represents the unused net operating loss that can be carried over to another tax year. This amount should be entered on line 2 of Form NOL-F85A for the tax year to which it is being carried.

Part II
Application to Carryback/Carryforward Year

LINE 5 – The taxable income as shown on the return to which the loss is being carried should be entered on line 5. If this return has been amended or adjusted, enter the taxable amount as last amended or adjusted. If a net operating loss has been applied to this year, then the taxable income shown on line 7 of Form NOL-F85A should be entered on this line.

LINE 7 – Subtract line 6 from line 5 and enter the result on this line. If line 6 exceeds line 5, enter zero.

Part III
Computation of Tax

LINE 8, 9, 10, AND 11 – Complete these lines to determine the net operating loss. The total tax shown on line 11 should also be entered on line 11, Form 41 or on line 10, Form 40X, Amended Return.